

Sheptalk

Gremlin's plant expects to make 500 games daily

By Turner Manjikian
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A leading manufacturer of coin-operated video games formally opened its Rancho Bernardo manufacturing/headquarters Saturday.

Gremlin Industries Inc., the brain behind the recently released Zaxxon and the popular Frogger games, employs about 700 people at its 125,000-square-foot plant in the Rancho Bernardo Technology Park.

As many as 500 game machines are to be built and tested there each day as the company settles into its 3-month-old quarters, but the company could produce 700 to 800 machines a day, depending on demand.

Gremlin is a subsidiary of the Los Angeles-based SEGA Enterprises Inc. A sister company, SEGA Enterprises Ltd., is based in Japan.

SEGA/Gremlin, as Gremlin Industries is called, already is looking to expand its Rancho Bernardo quarters and might exercise an option to purchase future buildings on adjacent property, according to Frank Fogelman, vice chairman of the board and one of the company's founders.

Gremlin president Duane Blough said the company would like to move its engineering staff, now housed in a 56,000-square-foot facility in San Diego, to Rancho Bernardo.

Gremlin employs about 100 engineers who dream up ideas and designs for such games as Space Fury.

But most of the company's creative spark is in Japan, according to officials.

SEGA Enterprises Chairman David Rosen said, however, that he expects Gremlin to design more games and anticipates that they will soon be sold on cartridges for television video game play as well as on discs for home computers like the Apple.

Although most of the games are designed in Japan, they are manufactured here and shipped to distributors throughout the U.S. and Canada, which represent 80 percent of the market for video games, Fogelman said.

Gremlin Industries, whose accounting year ends June 30, is expected to earn \$100 million for 1981-82, Rosen told reporters Saturday at Gremlin's open house. That total will be a 50 percent increase over the previous year's revenues of \$64 million.

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